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Borden selects Missoula location

Borden Incorporated's Chemical Division plans to build a $2 million formaldehyde and synthetic resin plant and industrial alcohol terminal in Missoula.

Montana's Governor Forrest H. Anderson and Harry C. Wechsler, president of Borden Chemicals, New York City, simultaneously announced the development early in January.

The plant will market its products and the alcohol, locally in Missoula, as well as throughout the inland five state area of western Montana, Idaho, eastern Washington, eastern Oregon and Wyoming.

It will produce annually 80-million pounds of formaldehyde and 65-million pounds of urea and phenolic resins. The resins made from part of the formaldehyde production will be used for plywood and particle board adhesives, reported President Wechsler.

The plant will be located northwest of Missoula on a 17-acre site adjacent to the Evans Products' new $8 million particle board plant which is expected to consume a sizeable portion of the new plant's resin production.

In the design stage now, the plant will be built as soon as weather permits. Officials hope to have it operational late this year.

President Wechsler said Borden — the world's largest formaldehyde producer— also has formaldehyde plants under construction at Diboll, Texas, and Louisville, Ky. The Missoula plant will be Borden's 11th domestic formaldehyde plant and it will increase the company's combined annual production of the chemical to one billion pounds.

Governor Anderson said Borden's selection of Missoula as the site for the plant is a recognition of Montana's industrial potential and its rapidly expanding forest products industry.

He added that the $2 million capital investment by Borden, as well as its employing a dozen year-around employees at the start of production, is a sizable commitment to Montana's future.

"The development is a welcome addition to our economic base," the Governor said.

The formaldehyde plant at Missoula is a further integration of Montana's forest products industry, said Perry F. Roys, executive director of the Montana Department of Planning and Economic Development.

It illustrates the probabilities of other expansions related to wood utilization potentials in western Montana. Roys added that market opportunities provided by the Missoula area's forest products industry was an important factor in the site selection.

Missoula's local industry is growing and it is rapidly becoming the heart of an integrated regional industry, Roys stated.

'70 census comes via computer

The Montana Department of Planning and Economic Development (PED) sponsored in December the 1970 Census Users' Workshop, which attracted officials and census users from Montana, North Dakota, Wyoming and Idaho.

All 1970 census information will be on computer tapes. Summary tapes of the data will be available to states by July or August 1970, according to Gerald O'Donnell, staff assistant for the Bureau of the Census, Washington, D. C.

Over a subsequent three-year period, the census bureau will print about 15 percent of all the information it collects. Many states, however, will need some of the census information for state and regional planning before that time.

Many, including Montana, will also need data included in the 85 percent of the census material that the bureau will not print, generally including material relating to cities and counties.

R. Thomas Dundas, Jr., director of PED's information system division, will direct Montana's summary tape processing center for special tabulation requests of census data. He said the census information would be an integral part of the information system.

The summary tape center, a PED responsibility, also may provide printout services to nearby states that develop no center of their own.

Montana Today

Volume 15, Number 1 January, 1970

Montana Department of Planning and Economic Development

Commercial cattle feeding interest increases

By William Spilker
Industrial Development Director

Montana seems to have a widespread interest in commercial cattle feeding, for the Montana Department of Planning and Economic Development has received a number of inquiries and expressions of interest namely from persons in Billings, Townsend, Lewistown, Glendive and Glasgow.

The Valley County Development Council is processing a request for funds to the Economic Development Administration to conduct a feasibility study of cattle feeding potentials in Northeastern Montana. This interest and these studies are important to the growing industry.

A fair amount of this type of information is available in the professional literature, but most of it has been developed in other states and does not consider problems peculiar to Montana. The Montana studies, then, can provide a useful summary of the previous work as well as answers to problems involved in

(Continued on page 3, column 1)

Inventors plan April congress

Billings will host the Montana Inventors Congress on April 17-19 in the Shrine Auditorium, according to E. G. "Pat" Dahl, Billings, president of the Associated Inventors of Montana.

E. F. "Fletch" Harvey of the Billings Chamber of Commerce, who is in charge of local arrangements, said the Chamber would simultaneously sponsor an industrial show.

Further information will be forthcoming. Inquiries may be directed to Dahl, Route 2, Billings; Harvey, or William Spilker, industrial development director for the Montana Department of Planning and Economic Development in Helena.

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PED summerizes 1969 activities

An enlarged Department of Planning and Economic Development, directed and staffed by professional personnel, will confront Montana's problems of the 1970s.

PED Executive Director Perry F. Roys reported that two of the major 1969 thrusts of the Department were to bring the local planning assistance projects to current status and attract professional personnel to carry out the assigned responsibilities.

David K. Hartley of Washington, D. C., former Montana Planning Board community development specialist, served as planning consultant to the community development division part of the summer and worked with Planner Paul A. Carr, formerly of Bozeman, to bring 14 projects, some overdue since 1966, up to date and strengthen the planning function.

By October, Lyle E. Balderson community development director, arrived and by the first of the year he had organized his staff. Senior Planner Richard Jakobson returned to Montana from Minnesota; Associate Planner Harold "Hal" Price moved from Spokane; Associate Planner Carr; Assistant Planner Jim Bonine arrived from Seattle, and Mrs. Charleen Duke, planning secretary.

Deputy Director C. R. Draper, who is director of the research division, also organized his staff by the end of the year: Tom Phillips, regional economist from Kansas, Jim Richard, research associate, returned to his native state from military duty in Germany, and Ray Stewart, research associate, moved from the University staff in Missoula. Development Economist Dr. Harry Shearer is working on special projects in this division.

The information system division sponsored the 1970 Census Users' Conference in December and is developing a program to serve the state as Montana's summary tape processing center for special tabulation requests for census data. The conference, incidentally, attracted an unexpected number of officials and census users from Montana, North Dakota, Wyoming, and Idaho. R. Thomas Dundas, Jr., a Great Falls native, has directed the division for more than a year. Mrs. Doris Neu is information assistant. Mr. Dundas is selecting a systems analyst to further develop the service of his division.

William Spilker from Omaha, director; Everett Darlinton, formerly with this department and then the Water Resources Board, senior engineer, and Mrs. Nancy Weispfenning, secretary, man the industrial development division.

In addition to Director Roys and Deputy Draper, the Department's administrative details are managed by Laurie McCarthy, the first Planning Board secretary and now office manager; Mrs. Theo Barta, accountant; and Mrs. Karen Elliott, receptionist-secretary.

Multi-county districts help solve problems

The Department of Planning and Economic Development is developing a multicounty districting system as a part of its statewide planning responsibilities, to make state government more effective in dealing with Montana's problems, and to fulfill federal bloc grant requirements.

Regional Economist Tom Phillips assumed responsibilities for the proposal after Gary Johnson left for a job with the Alaska State Housing Authority.

The districting proposal was nearly 75 per cent complete at press time. Early in February the proposal to make multicounty districts usable by state and federal agencies will be released for review by legislators, local, state, and federal officials, and interested citizens.

Planning course helps agencies

The Montana Department of Planning and Economic Development is involved in an innovative program to help develop professional planning in state government.

It's innovative because the program links traditional arch-gridiron rivals Montana and Montana State, together with a state agency.

It'll help develop professional planning because it is a public seminar on Basic Concepts in Planning and Development.

C. R. Draper, deputy PED director, Dr. William Lassey of Montana State University, Bozeman, and Dr. Herbert Larsen of the University of Montana, Missoula, are teaching the course.

Draper, also an associate professor on the MSU staff, is a trained sociologist and engineer; Dr. Lassey is trained in economics and communication; and Dr. Larsen is trained in sociology and urban studies.

This quarter it is offered in Helena on extension from the Bozeman unit.

Montana Today

Montana Today is the successor to **Montana Horizons**, the former bimonthly newsletter of the Montana Department of Planning and Economic Development and its successor the Montana Planning Board. **Today** continues the work of **Horizons**, which was last published as Volume 14, Number 1, in April 1969.

Horizons served three governors, four directors of the department, seven legislatures, and it continued after the Planning and Development Act of 1967, which restructured the Department, gave it its own Commission, and severed its union with the Montana Water Resources Board.

In its 15 years **Horizons** imparted a goodly quantity of information about Montana's place in planning and development. **Today** still will. But now the Department, entirely staffed as it is with professional personnel, wants to shift the newsletter emphasis from what Montana can become (its horizon) to what Montana is today and what it is doing with its potential now.

This is a timely place, too, to mention our new quarters. Last September the Commission leased offices and the Department moved to 1716 Ninth Avenue, just south of Jorgenson's Holiday Inn on Eleventh Avenue.

The move provided more comfortable and efficient quarters. The splendor of the Governor's Old Mansion will be restored and offered for public tour by the City of Helena.

This was the second move of the Department; after a 12-year residence it departed the Sam Mitchell Building in 1967 for the mansion. Incidentally, our mail should still be addressed to the Capitol Station and our phone—449-2400—is on the capitol centrex system—Ed.

Chamber plans foreign trade

The Foreign Trade Seminar February 19th in Helena will discuss ways to bolster activities of the 60 some Montana firms that already export products and ways to interest other firms in exporting their products.

Governor Forrest H. Anderson will address the noon luncheon on possibilities of an international free trade port in Montana.

The seminar, planned for all day in Jorgenson's Holiday Inn, will be cosponsored by the Montana Chamber of Commerce and its Export Advisory Committee.

Del Siewert, Montana Chamber executive vice president, is in charge.

Commercial feeding

(Continued from page 1, column 3)

developing the Montana cattle feeding industry.

The current enthusiasm for such development is a result of relatively high prices for fat cattle the past few years, success of some existing feed-lots in Montana, low grain prices and a realization of the need for Montana farmers and ranchers to increase their net incomes.

On the surface cattle feeding appears to be a logical development of Montana's agricultural resources. At the present time 85 to 95 percent of the Montana feeder cattle available each year are shipped to out-of-state feed-lots, and the remainder are fattened in Montana. At the same time much of the state's 68 million bushel (1969) barley crop is shipped to surrounding states to feed, in many cases, those very cattle that were raised in Montana. Logically, the State of Montana would be in a better position on the balance sheet if this value added by feeding could be retained within the state.

Montana produces a great deal of wheat (120 million bushels in 1968), but it is not normally considered a livestock feed. Even though it is not as palatable as other feed grains, wheat is nutritious and when it reaches present prices it becomes competitive as livestock feed. Other feeds and supplements such as roughages and protein concentrates are either raised in the state or can be shipped in a relatively low costs. The availability of these raw materials is one favorable factor for feeding more cattle in Montana. A slaughter capacity that could handle increased production of fat cattle is another. Population increases in the intermountain and West Coast regions are continuing to demand additional tonnages of dressed beef produced in Montana.

Some disadvantages to feeding cattle in Montana at least partially offset these advantages. Weather conditions can have a negative effect, especially severe winter cold spells. Transportation costs, too, are always a major factor in Montana and areas, like Montana, farthest from the markets would feel the lower prices the most in periods of oversupply of dressed beef.

Other factors affect the growth of this industry in Montana and will have to be overcome to fatten many more cattle for slaughter within the state. One such aspect is the traditional livestock marketing pattern. The switch of some ranchers to a fall calving program is overcoming the marketing pattern somewhat. Wintering cattle for spring feeding also will help shift the pattern. The traditional grain producer, however, has not been the cattle producer and in spite of the trends the average rancher still tends to sell his calves or yearlings in the fall, causing a shortage of feeder cattle at other times of the year. Attracting experienced managers is another problem that hampers the growing industry.

Sufficient capital to take advantage of the economies of scale—20,000 plus head—has only rarely been forthcoming; its lack also slowed the growth of cattle feeding in Montana.

To achieve more of this potential the Department of Planning and Economic Development will assist local efforts to establish feedlots in the following ways:

1. Provide basic economic facts concerning feedlots and sources of information that can be evaluated by local groups interested in the industry.
2. Explore methods of financing operations either by attracting outside firms or by helping to establish local financing through lending agencies.
3. Search out potential feedlot managers from the industry in other parts of the country.
4. Advise on site selection and development and making planning and zoning recommendations for local communities.
5. Provide assistance to those operations in existence.

The Department also has begun to investigate the possibilities of developing agricultural and farm resources and the industrial use of agricultural products.

In many ways these activities are new for this department, and with a new staff we have not yet formalized many procedures. Our primary objectives are to provide technical information and technical assistance to those persons and groups interested in industrial development and these objectives will always guide us.

(William "Bill" Spilker, former industrial consultant in area development with the Northern Natural Gas Company of Omaha, is the director of Industrial Development. He is a Graduate of the University of Nebraska at Lincoln and also attended the American Industrial Development Institute and Canterbury Agriculture College, Christchurch, New Zealand. He has five years in the industrial development field; he previously operated a cattle feeding business.)

Coal scrutinized

(Governor Forrest H. Anderson, Senators Mike Mansfield and Lee Metcalf, and Congressmen Arnold Olsen and John Melcher joined in sponsoring a Coal Symposium, November 6-7, in Billings. Nearly 200 persons of every interest met to discuss the potentials and hazards of developing eastern Montana's huge energy resource. This article is the summary of the symposium and the viewpoints expressed at it.)

By Perry F. Roys
PED Executive Director

Beginning with Governor Forrest H. Anderson's opening remarks these themes of coal and power ran throughout the Coal Symposium: The reality of the coal supply; the imminence of the energy demand; the promise of technological development to bring the supply to satisfy the demand. Another theme was one of cooperation and understanding to bring about the profitable use of this great coal resource without penalizing citizens in all walks of life by causing harmful effects on the environment we prize so dearly.

The speakers left no doubt as to the abundance of Montana's coal supply. Vice President Phillips of Peabody Coal reminded us that, taken all together, our supply of lignite, bituminous, and subbituminous coals give us the greatest reserves of any of the states—378 billion tons. Much of this lies in thick beds close to the surface. In his keynote speech David Freeman of the Office of Science and Technology pointed out that the 14 billion tons amenable to strip mining in Montana alone represent as much energy as the entire proven reserves of natural gas in the United States. And Geologist Robert E. Matson of the Montana Bureau of Mines and Geology estimates of the same resource running as high as 17 billion tons.

On the energy demand side, many of our speakers in many different ways reinforced the picture Mr. Freeman gave us of what he called "Crisis Amid Abundance." They repeated the fact that as a nation, our energy demands have doubled (and will apparently go on doubling) every 10 years or so—and the panelists representing power districts and associations well within potential markets for Montana coal, testified to demands for growth well ahead of the national rates. As Mr. William Warne, resource consultant from California, put it, this

means that by the year 2000, for every kilowatt generated today we will need SEVEN then.

But Montana's coal is not located where the greatest blocks of additional energy demand are developing; so several of the papers presented ways of bridging the space gap. To overcome Montana's remoteness, Ken Holum, former assistant Interior Secretary for water and power, predicted that studies will establish the feasibility of "mine-mouth generation" of power, plus extremely high-voltage transmission from Montana to supply power needs of a major portion of the West. And this prediction is based on conventional, existing generator technology, not the exotic, high-efficiency methods excitingly described by Drs. Richard S. Rosa and William Jackson of AvCo Research Labs—as well as by Kenneth Roe, New Jersey consultant.

Elwood F. McGuire of Minnesota Power and Light, and Robert D. Pedersen of the Northern Pacific reminded us that Montana coal already is going to distant generating plants by 10,000-ton, unitized trainloads, with the prospect of significant increases in future tonnages. And a number of representatives from power distribution systems showed that our coal supply already is being considered for use in the near future by other consumers—either by unit-train transportation described by Mr. Pedersen, or by slurry pipelines described by Edward L. Wasp of Bechtel Corporation, or by conversion to synthetic fuels by processes like those described by Dr. Clarence Johnson of the hydro-carbon research labs.

As to competition of Montana coals with others, Edwin R. Phelps of Peabody Coal, showed how strip mining wins out over shaft mining in higher recovery and lower costs. Neil Adams, Missouri Co-op manager, compared this state's 8-to 10-cents-per-million BTU production costs to the 20-cents-per-million for Missouri's dwindling supply. And Ken Holum pointed out that nuclear plants still require a third more capital investment than fossil-fueled plants.

But the commercial exploitation of most raw materials—with coal no exception—invariably brings, or is accompanied by problems of which many of the later speakers made us aware. For one thing, it always exerts influence on the environment in a variety of ways—some of them undesirable—and Montana Power Company President O'Conner reminded us we have to consider the effect on this environment not only of making use of our coal, but also the failure to do so. Keynoter Freeman described pollution as a by-product of affluence, not poverty. And other speakers elaborated on the factors involved in preserving, or even enhancing the physical environment.

We heard both sides of the argument for voluntary versus legally imposed requirements on both pollution restriction and reclamation. But the terms used time and again were "foresight" and "reasonableness" and "balance." Congressman John Melcher called for, among other things, a balance of research programs. Ted Schwinden, State Land Commissioner, called attention to the emotional effects of changes in land use, and the responsibility of government to minimize the resultant inflamed feelings. State Representative E. W. Christensen of Hardin pointed to a change in the attitudes of responsible industry toward preservation of the environment; although, he said, we are entitled to the protection of such measures as mandatory reclamation. Representatives of the coal and other industries indicated preference to have and to abide by reasonable restrictions—and volunteered to impose restrictions on themselves as well.

Some of the other problems dealt with by the Symposium were the provision of necessary water supplies for coal conversion, power generation, and other industrial uses.

Another was the need for recognition of Montana coal lands as sources of valuable scientific and archeological information, which should be obtained before the potential sites were obliterated by strip or other mining.

Another was the location of funds to finance massive programs of development.

Still another was the necessity of careful, comprehensive planning recognizing the complex interrelationship of systems in the totality of the region. Mr. Darrow made an eloquent plea for such careful study.

But the outstanding mood of the Symposium I feel was optimism; the expectation of abundant returns to the economy of the state through careful use of a great natural resource, combined with technological breakthroughs in fuel conversion, power generation, and transmission of energy—and which in themselves seem to give promise of solutions to some of the very problems of preservation of the environment, the need for more tax revenue described by Senator McGowan, and the problems of poverty, economic instability and so on that are of so much concern to Montanans.

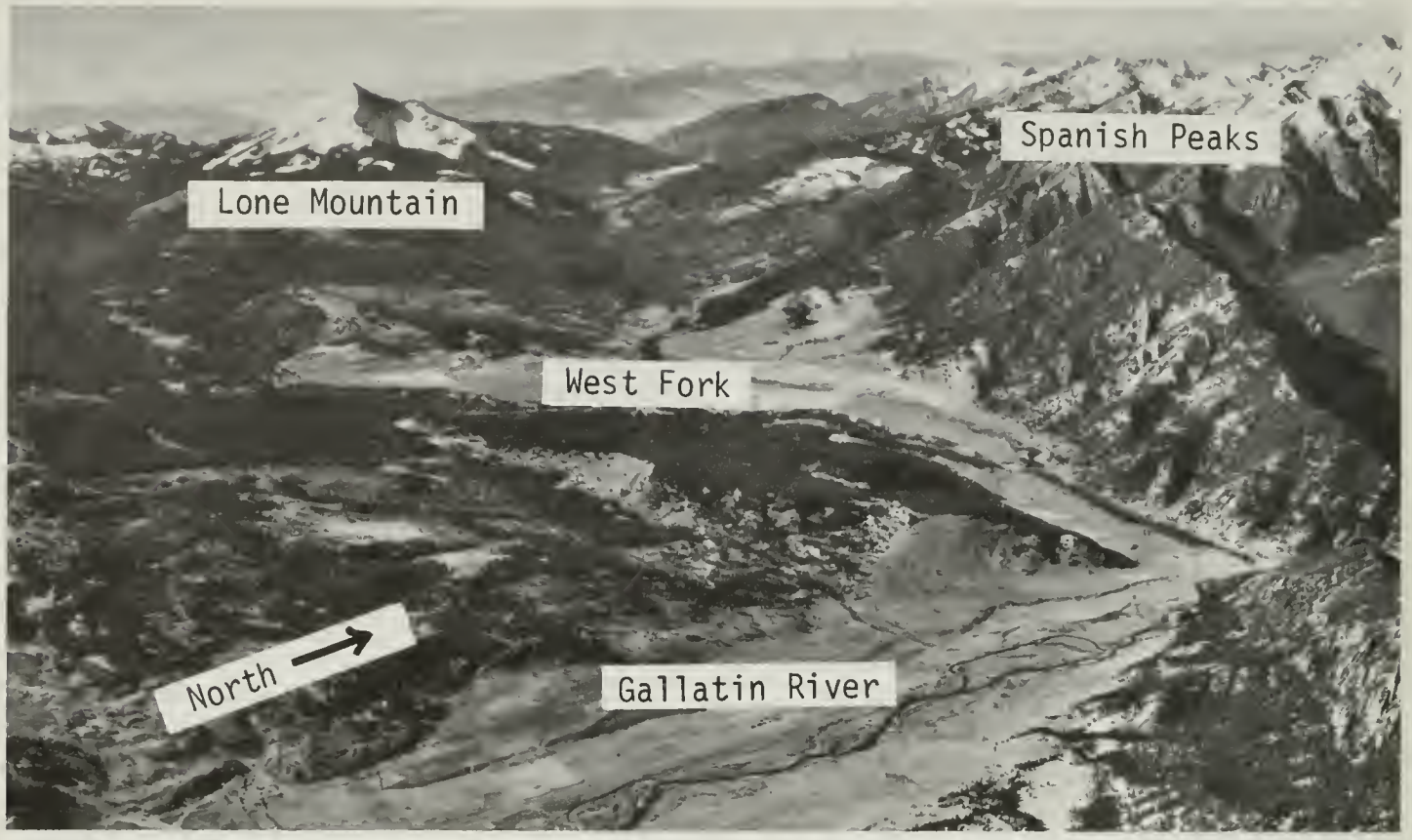
It's all a large order—and most assuredly state government as well as federal government and industry itself has an important role to play.

While I can't speak for all state departments, I know that some state agencies are implementing programs that meet in part some of the needs expressed these two days:

1. The Governor's Advisory Council on Natural Resources has 18 members representing the natural resources related agencies of state government. A special committee of the Council reviews and examines contracts under the 1967 and 1969 Mining Land Reclamation Laws.
2. The 41st Montana Legislature required the Water Resources Board to keep the Legislative Council informed of progress on the development of Montana's coal resources and of any agreements contemplated which might affect water.
3. Governor Anderson has proposed a Regional Multi-State Development Commission to:
   A. Improve the economic and social well-being of the rural and urban areas within the region.
   B. Provide for orderly growth through the partnership of the federal government, states, cities, counties, multi-county development groups, universities, and so forth.
   C. Establish overall policy and direction of governmental programs to prevent overlapping and cross-purposes, and to provide consistent and relevant policy to meet the needs of these Great Plains states.

While these activities fall short of what Bill Warne called for in the establishment of "an executive commission responsible for both directing and controlling the use of the state's coal reserves," they seem to be steps in the right direction and certainly, if my reading is correct, in tune with the new mood so well expressed by nearly all speakers for achieving development under optimum environmental conditions.

The Coal Symposium Proceedings *is available from Dr. Wilson Clark, Montana Coal Symposium, Eastern Montana College, Billings* 59101, *at* $3.50 *per* 212 *page,* 6x9 *inch copy. Draft the check to the Montana Coal Symposium.*



Chrysler Realty, Chet Huntley study Gallatin recreation development

The Chrysler Realty Corp. is studying the feasibility of a year-around recreational development on the West Fork of the Gallatin River.

The Big Sky Recreation Development Corp., involving NBC News anchorman Chet Huntley, would handle the winter recreation on the north face of Lone Mountain in Madison County. The summer recreational area would be on the West Fork south of the Spanish Peaks in Gallatin County.

Some of the study's key considerations involve the economics of marketing or how the development can attract large numbers of people for year-around recreation and get them there. The improved air service through Gallatin Field near Belgrade is a strong contributing factor. (Montana Highway Department photo)

Industrial index printed

The fifth edition in a continuing series of revisions of the **Montana Directory of Manufacturers and Buyers Guide** is now available from the Montana Department of Planning and Economic Development, Capitol Station, Helena 59601. The 119-page, 8½x11-inch directory costs $2 and checks should be drafted to the Montana Directory of Manufacturers.

This 1969-70 edition is updated to 1969 and represents a 13 page increase over the 1967-68 edition. It lists the names, addresses, managers, numbers of employees and products for 1,598 manufacturers and cross references them alphabetically, by location, by standard industrial code classification, and by product.

Commissioners seek uses

The Planning and Economic Development Commission devoted a major portion of its December meeting investigating the potential industrial use of Montana's agriculture products.

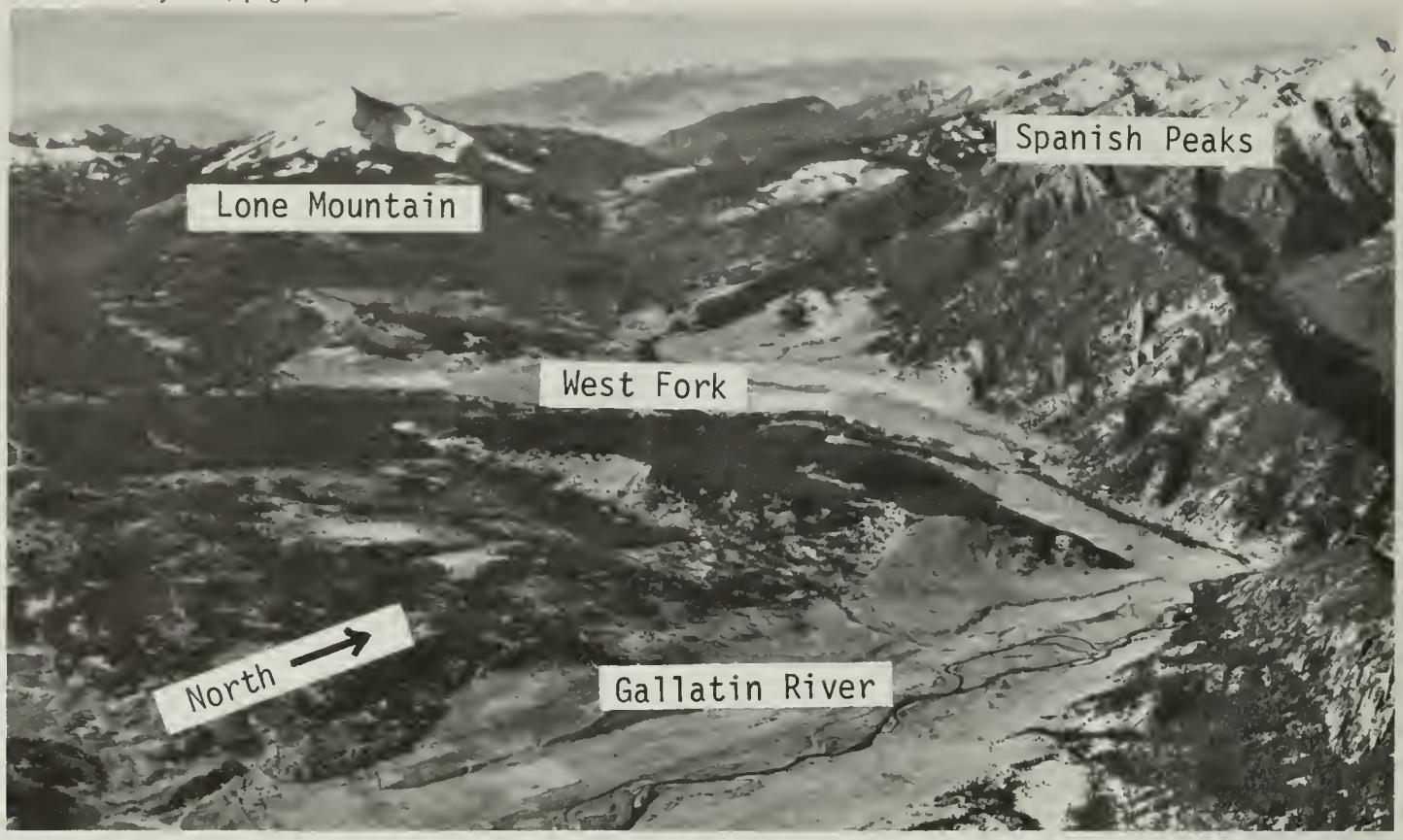
Perry F. Roys, Commission chairman and executive director, reported that the departmental staff under the guidance of Deputy Director C. R. Draper had explored a number of possible uses.

Dr. Johan A. Asleson, Montana State University's Dean of Agriculture, and Dr. Kenneth J. Goering, Dean of MSU's Graduate Studies, explored possibilities of using wheat to make industrial alcohol and feeding cattle the high protein by-products.

Commissioner Ted Sorenson, Dutton, and Robert Brastrup, Great Falls, executive secretary of the Montana Wheat Research and Marketing Committee, described the wheat market's distressing trends and said some of the wheat producers' problems could be solved by developing other markets through local industrial applications.

Chairman Roys said the staff would continue to pursue its investigation in cooperation with Montana State University, the Montana Department of Agriculture, and the Agricultural Stabilization and Conservation Service. Their next step would be to determine what success other states may have had in developing industrial uses for their ag products.

Other commissioners are Governor Forrest H. Anderson, Ross W. Cannon, Helena; Dale C. Hawkins, Billings; W. L. Bill Holter, Great Falls; and John Ruffatto, Missoula.



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